



**NAVAJO NATION ENVIRONMENTAL PROTECTION
AGENCY**

**Navajo Nation Operating Permit Program
Rt. 112 North, Building F004-051
P.O. Box 529, Fort Defiance, AZ 86504**



Detailed Information

Permitting Authority: NNEPA

County: McKinley

State: New Mexico

AFS Plant ID: 35-031-NAV03

Facility: El Paso Natural Gas Company (EPNG) - Gallup Compressor Station

Document Type: RESPONSES TO COMMENTS

RESPONSES TO COMMENTS

**on the Part 71 Permit Renewal to Operate
El Paso Natural Gas Company (EPNG) - Gallup Compressor Station**

Permit No. NN OP 05-007

On February 28, 2008, the Navajo Nation Environmental Protection Agency (NNEPA) had a notice published in the Navajo Times of Window Rock, Arizona and the Gallup Independent of Gallup, New Mexico stating that El Paso Natural Gas Company (EPNG) - Gallup Compressor Station, located at Portion of NE 1/4 of Section 9, Township 19-N, Range 17-W, 31 miles north of Gallup, New Mexico, had applied for a Part 71 Operating Permit renewal to operate a natural gas compressor station. The notice also stated that NNEPA proposed to issue a permit for this operation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed.

On March 28, 2008, EPNG - Gallup Compressor Station (referred to as "the permittee") submitted comments on the proposed Part 71 Operating Permit. Their comments are listed in Comments 1 through 6. On April 10, 2008, U.S. EPA submitted comments on the proposed Part 71 Operating Permit. Their comments are listed in Comments 7 through 19. This Response to Comment document provides responses to all of these comments. When permit language is included in the response, bolded language indicates additions to the permit and language with a line through it has been deleted from the permit. The summary of the comments is as follows:

Comments from the Permittee (Comments 1 through 6)

Comment 1:

The permittee proposed a correction to the unit B-01 horsepower rating under Section I from 6,479 hp to 9, 620 hp, and a correction to the unit C-01 horsepower rating under Section I from 17,760 hp to 25,310 hp.

Response to Comment 1:

Section 1. of the permit has been updated as follows:

Unit ID/ Stack ID	Unit Description	Maximum Capacity	Commenced Construction Date	Control Device
B-01	One (1) natural gas-fired regenerative-cycle turbine	76.7 MMBtu/hr 6,479 9,620 hp	1966 and modified in 1991	N/A
C-01	One (1) natural gas-fired simple cycle turbine	170.2 MMBtu/hr 17,760 25,310 hp	prior to 1977	N/A
...

The capacity and potential to emit (PTE) information listed in Appendix A to the Statement of Basis (SoB) and the SoB have been corrected accordingly.

Comment 2:

The permittee requested a correction to Condition II.A.8, which incorrectly referenced Condition II.A.7 for stack sampling requirements.

Response to Comment 2:

Condition II.A.8 has been corrected as follows:

8. The parameters necessary to comply with the concentration limits stated in Conditions II.A.2 and II.A.3 of this permit shall be determined during the stack sampling required in Condition II.A.~~7~~**9** of this permit, and shall be determined during the operation of each turbine at four points in accordance with Condition II.A.9(d) of this permit. [Permit no. PSD-NM-999 Special Provision 6]

Comment 3:

The permittee requested that Condition II.A.14, which requires the submittal of quarterly reports containing the hours of operation of the facility and a report summary of the period of noncompliance, per Permit No. PSD-NM-999 Special Provision 15, be removed or revised to semi-annual reporting.

U.S. EPA received a letter of request from EPNG to revise the PSD Permit (PSD-NM-999) for EPNG-Gallup Compressor Station on February 11, 2008. Special Provision 15 of PSD-NM-999 requires the submittal of quarterly reports of information required by the NSPS General Provisions and of hours of operation of the facility and a report summary

of the periods of noncompliance. When the PSD permit was first issued, there was no requirement for EPNG to submit regular reports of this information. Following the issuance of the Part 71 permit, EPNG was required to submit semi-annual reports of all monitoring data, including the data required by the PSD permit, as well as an annual certification of compliance with all terms and conditions of the permit. EPNG feels that semi-annual reporting of this information, along with other periodic monitoring, should be adequate.

Response to Comment 3:

On June 18, 2008, U.S. EPA revised the PSD permit for EPNG-Gallup Compressor Station (PSD-NM-999), to address the revisions requested in EPNG's February 11, 2008 letter. U.S. EPA addressed the requested change to the reporting requirements as follows:

"The excess emissions reporting requirement is an applicable requirement for all sources subject to an NSPS. While there is some overlap with the Part 72 semi-annual monitoring reporting requirement, which requires facilities to identify "all instances of deviations from permit requirements," these are separate applicable requirements, established for different purposes. Furthermore, the Part 71 annual compliance certification requires facilities to certify compliance with all permit conditions, while the NSPS reporting requirement only applies to excess emissions from NSPS "affected facilities." The Part 71 compliance certification requirement is less frequent but broad in scope, while the NSPS excess emissions reporting requirement is more frequent but narrower in scope. Again, these are separate applicable requirements. Therefore, we [U.S. EPA] are not granting your request to delete this provision. However, the Agency revised the NSPS General Provisions on February 12, 1999 (64 FR 7457). The frequency of excess emissions reporting was changed from quarterly to semi-annually. Therefore, we are revising the PSD permit to reflect this change."

This Part 71 renewal incorporates the changes from the amendment issued on June 18, 2008. Therefore, Condition II.A.15 has been revised as follows:

15. ~~The permittee shall submit quarterly reports containing the hours of operation of the facility and a report summary of the periods of noncompliance. For the purpose of this report, periods of noncompliance will be periods of exceedance of the parameters specified in Condition II.A.8 and reported in units of pounds per hour and tons per year [Permit no. PSD-NM-999 Special Provision 15, second paragraph].~~ **The holder of this permit shall submit, to the appropriate EPA Regional Office, reports as described in 40 CFR 60.7. Such reports are required for each emission unit subject to this permit.**

In addition to the applicable information specified in 60.7(c), semiannual reports are required and should contain the hours of operation of the facility and a report summary of the periods of noncompliance. For the purpose of

this permit, periods of noncompliance will be periods of exceedance of the parameters specified in Condition II.A.8 and reported in units of pounds per hour and tons per year [Permit no. PSD-NM-999 Special Provision 15, as amended June 18, 2008].

Comment 4:

The permittee requested that Condition III.A.4, which includes requirements to record parametric data 2 hours before and 2 hours after a stack test, be revised to indicate that parametric data be recorded only during the test.

Response to Comment 4:

Condition III.A.4 will remain unchanged. The Permittee must record the information required under Conditions III.A.4 (a) through (d) for two (2) hours prior to the test and two (2) hours after the completion of the test, to provide an accurate evaluation of equipment operation.

Comment 5:

The permittee requested revisions to the PSD discussion in the Existing Approvals section on page 2 and the PSD Applicability section on page 8 of the Statement of Basis. The permittee requested removal of language referencing BACT, a correction of the original PSD permit issuance date from 2001 to 1991, and a correction to the permit citation from Condition II.C.8 to Condition II.8.10.

Response to Comment 5:

The Statement of Basis, Existing Approvals discussion (1.e) has been revised as follows:

Condition II.A.12 (NN-OP 00-03): This condition required...

....

Condition II.C.810 (NN-OP 00-03): On February 11, 2008, the permittee sent a letter to U.S. EPA Region IX requesting an amendment to Permit no. PSD-NM-999, issued December 26, 2000, to incorporate changes to ~~BACT conditions~~ referencing NSPS Subpart GG. Subpart GG was revised on July 8, 2004. The Permittee is requesting that the Permit PSD-NM-999 be revised to be consistent with the revisions to Subpart GG. Condition II.C.810 required fuel sulfur content monitoring of the fuel being fired in the turbines. The changes to Subpart GG included changes to sulfur and nitrogen monitoring requirements. 40 CFR 60.334(h)(3) was changed to allow the source to opt out of monitoring sulfur content, provided the permittee can demonstrate that their fuel meets the definition of natural gas in 40 CFR 60.331. The Permittee uses natural gas meeting the definition. El Paso Natural Gas can demonstrate compliance with the

emission requirements of NSPS, Subpart GG ~~and BACT~~ without performing fuel sulfur monitoring. ~~Therefore, the proposed amendment will remove the existing monitoring requirements for sulfur content. U.S. EPA has indicated that they will process the revisions to Permit no. PSD-NM-999 concurrently with NNEPA processing this Part 71 Renewal.~~ **On June 18, 2008, U.S. EPA revised the PSD permit for EPNG-Gallup Compressor Station (PSD-NM-999), to address the requested revisions. U.S. EPA agreed to remove the fuel sulfur content monitoring requirement (Special Provision 10). Therefore, Condition H.C.810 has been removed from the Part 71 Renewal. Therefore, NNEPA has not included Special Provision 10 in the Part 71 renewal.**

The PSD applicability discussion (3.) has been updated as follows:

El Paso Natural Gas Gallup compressor station was constructed in 1953 and modified in 1991. This existing source is not in one of the 28 source categories defined in 40 CFR 52.21(b)(1)(iii) and has potential to emit NO_x greater than 250 tons per year. Therefore, this source is an existing PSD major source. The initial construction of this source in the 1950s predated the PSD applicability date. In 1991, El Paso Natural Gas replaced 16 existing gas engines with a used turbine purchased from another facility (Unit C-01), and a new emergency generator (Unit AUX-C01). Unit B-01 was modified to increase the maximum capacity. The modifications that occurred in ~~2004~~**1991** are subject to Prevention of Significant Deterioration (PSD), and were permitted in PSD Permit NM-999, issued by U.S. EPA on March 7, 1991. This PSD permit included federally enforceable emission limitations for NO_x and CO. The initial Title V permit for this source was issued by U.S. EPA on December 26, 2000. The PSD Permit (PSD-NM-999) was concurrently modified by U.S. EPA at this time. ~~and included a minor modification to revise the PSD conditions.~~

On February 11, 2008, the permittee sent a letter to U.S. EPA Region IX requesting an amendment to Permit no. PSD-NM-999, issued December 26, 2000, to incorporate changes to ~~BACT conditions referencing~~ NSPS Subpart GG. Subpart GG was revised on July 8, 2004. The Permittee is requesting that the Permit PSD-NM-999 be revised to be consistent with the revisions to Subpart GG. ~~Condition H.C.8 required fuel sulfur content monitoring of the fuel being fired in the turbines.~~ The changes to Subpart GG included changes to sulfur and nitrogen monitoring requirements. 40 CFR 60.334(h)(3) was changed to allow the source to opt out of monitoring sulfur content, provided the permittee can demonstrate that their fuel meets the definition of natural gas in 40 CFR 60.331. The Permittee uses natural gas meeting the definition. El Paso Natural Gas can demonstrate compliance with the emission requirements of NSPS, Subpart GG ~~and BACT~~ without performing fuel sulfur monitoring. ~~Therefore, the proposed amendment will remove the existing monitoring requirements for sulfur content. U.S. EPA has indicated that they will process the revisions to Permit no. PSD-NM-999 concurrently with NNEPA processing this Part 71 Renewal.~~ **On June 18, 2008, U.S. EPA revised the PSD permit for EPNG-Gallup Compressor**

Station (PSD-NM-999), to address the revisions requested in EPNG's February 11, 2008 letter. Since the facility satisfies the requirement to use a fuel that meets the definition of "natural gas" in 40 C.F.R. 60.331(u) and has provided the documentation required by 40 C.F.R. 60.334(h)(3), U.S. EPA agreed to remove the fuel sulfur content monitoring requirement (Special Provision 10). Therefore, NNEPA has not included Special Provision 10 in the Part 71 renewal.

Comment 6:

The Permittee requested that the NESHAP discussion for 40 CFR 63, Subpart ZZZZ (Reciprocating Internal Combustion Engines) be revised to reflect the source's area source status under the rule.

Response to Comment 6:

The SoB has been revised to state that this source is an existing HAP area source. In addition, the applicability of 40 CFR 63, Subpart ZZZZ was revised on January 10, 2008 and the SoB has been revised to reflect the changes to this NESHAP. See NNEPA Change 2 for details.

Comments from U.S. EPA (Comments 7 through 19)

Comment 7:

U.S. EPA stated that EPNG's most recent compliance certification for the Gallup facility covered a one year period that ended on December 25, 2007. The renewal permit must ensure that as the facility is converted to calendar year based certifications, there are no gaps in the periods of time for which the facility must certify compliance. To avoid a gap in compliance certification coverage while converting to calendar year certifications, condition IV.C.1. should be revised to allow for two special reporting periods, the first beginning on December 26, 2007. U.S. EPA noted that the two reporting periods are necessary to convert the source to a calendar year schedule, while ensuring that no certification period covers a period of more than one year. U.S. EPA also suggested that the semi-annual monitoring reports should be handled accordingly.

Comment 8:

The proposed permit requires the permittee to submit compliance certifications to NNEPA on a semi-annual basis. U.S. EPA stated that 40 CFR Part 71 requires permitted sources to submit certifications annually. NNEPA's operating permit regulations require semiannual submittal (Part H of NNEPA's air quality control regulations). Since Part H is not part of an EPA-approved Part 70 program, neither EPA nor citizens can enforce the semiannual requirement. While NNEPA may require more frequent compliance certifications than Part 71 requires, it should do so in a separate condition that is marked as tribally enforceable only. U.S. EPA recommends revising condition IV.C.1. to require

annual submittals, postmarked by January 30. The new tribally enforceable condition would require a submittal by July 31 and cover the period from January 1 through June 30. See comment 6 below for suggested language.

Response to Comments 7 and 8:

Condition IV.C. has been revised as follows as a result of these comments:

IV.C. Compliance Certifications [40 CFR § 71.6(c)(5)] [NNOPR § 302(I)]

1. The permittee shall submit to NNEPA and U.S. EPA Region 9 ~~semi-annually~~ a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, postmarked by January 30 ~~and July 31 of each year~~ and covering the previous ~~six (6) calendar months~~ **year, except that the first reporting period shall cover the period from December 26, 2007 through August 31, 2008 and shall be postmarked by September 30, 2008, and the second reporting period shall cover the period from September 1, 2008 through December 31, 2008 and shall be postmarked by January 30, 2009.** The compliance certification shall be certified as to truth, accuracy, and completeness by the permit-designated responsible official consistent with Section IV.E. of this permit and 40 CFR § 71.5(d) [40 CFR § 71.6(c)(5)] ~~[NNOPR § 302(I)]~~.
2. **The permittee shall submit to NNEPA a certification of compliance with permit terms and conditions, including emission limitations, standards, or work practices, postmarked by July 30 and covering the previous six (6) months, except that the first reporting period shall cover the effective date of this Part 71 permit through December 31, 2008. The compliance certification shall be certified as to truth, accuracy, and completeness by the permit-designated responsible official consistent with Section IV.E. of this permit. This condition is enforceable by NNEPA only [NNOPR § 302(I)].**
23. The certification shall include the following:

...

To address the semiannual reporting requirements, Condition III.C.1 has been revised as follows:

III.C. Reporting Requirements [40 CFR § 71.6 (a)(3)(iii)] [NNOPR § 302 (G)]

1. The permittee shall submit to NNEPA and U.S. EPA Region 9 reports of any monitoring required under 40 CFR § 71.6(a)(3)(i)(A), (B), or (C) each six month reporting period from January 1 to June 30 and from July 1 to December 31, **except that the first reporting period shall cover the period from the effective date of this Part 71 permit through December 31, 2008.** All reports shall be

submitted to NNEPA **and U.S. EPA Region 9** and shall be postmarked by the 30th day following the end of the reporting period. All instances of deviations from permit requirements must be clearly identified in such reports. All required reports must be certified by a responsible official consistent with Condition IV.E of this permit.

...

Comment 9:

U.S. EPA stated that they received a request from EPNG to modify the PSD Permit (PSD-NM-999) for the Gallup Compressor station on February 11, 2008. Until the amendment is finalized, all current PSD conditions must be included in the Part 71 renewal. U.S. EPA requested that NNEPA wait until the PSD amendment is issued, such that NNEPA may include the changes from the permit amendment.

Response to Comment 9:

U.S. EPA issued an amendment for the PSD permit for the EPNG Gallup Compressor station on June 18, 2008. NNEPA has incorporated all changes from the amended PSD permit (PSD-NM-999) into the Part 71 renewal. The changes that have been made are indicated in the Response to Comment 3.

Comment 10:

U.S. EPA stated that NNEPA has erroneously modified the language of conditions from EPA-issued PSD permits. All PSD conditions are applicable requirements that must be included as the exact text of the original PSD conditions. U.S. EPA requested that NNEPA review all PSD conditions applicable to the facility and ensure that that have been correctly incorporated into the Part 71 renewal permit.

Comment 11:

U.S. EPA indicated that the Gallup Statement of Basis notes that Condition II.B.1 of the initial Part 71 permit, which contains Special Condition 2 of the facility's PSD permit and requires emission point B-01 to comply with all the applicable NSPS, is redundant and has been deleted because these requirements are now in II.B and II.C. While those sections of the permits do contain NSPS requirements, they do not contain Special Condition 2 from the PSD permits. Therefore, these conditions must be included in the permit.

Comment 12:

U.S. EPA stated that NNEPA has substituted "NNEPA" for "EPA" (or cited both) in several conditions where this is not appropriate (PSD conditions as described in Comment 8, and also NSPS conditions). Where such requirements overlap with Part 71

requirements, it is appropriate to refer to both NNEPA and EPA. However, purely NSPS requirements should not exclude EPA, since EPA has not delegated NSPS implementation to NNEPA (and some NSPS conditions are non-delegable). U.S. EPA requests that NNEPA review all conditions where NNEPA is cited to determine which are appropriate and which must be revised.

Response to Comments 10, 11, and 12:

NNEPA has revised the following conditions to be consistent with the requirements established in Permit No. PSD-NM-999:

Condition II.A.1: ~~Pursuant to PSD-NM-999, issued on March 7, 1991, as last amended December 27, 2000, the Permittee shall not exceed the emissions listed in the table below.~~ **The following table lists all sources of air contaminants on applicant's property emitted by the facility covered by permit no. PSD-NM-999. The emission rates shown are those derived from information submitted as part of the application for permit no. PSD-NM-999.** The hourly NO_x and CO emission rates listed below are directly enforceable. Any proposed increase in emission rates may require an application for a modification of the facilities covered by permit no. PSD-NM-999. [Permit PSD-NM-999 Special Prov. 1]

....

Condition II.A.4 (former condition II.B.1) has been included in the permit as follows:

....

4. **The upgraded gas turbine identified as emission point B-01 shall comply with all applicable requirements of Environmental Protection Agency (EPA) regulations on Standards of Performance for New Stationary Sources promulgated for stationary gas turbines in Title 40 Code of Federal Regulations Part 60 (40 CFR 60), Subparts A and GG. If any provision of this permit is more stringent than the regulations so incorporated, then for the purpose of complying with this permit, the permit shall govern and be the standard by which compliance shall be demonstrated [Permit no. PSD-NM-999 Special Provision 2]**

5. Operation of the emergency generator, identified as AUX C-01 shall not exceed 1,200 hours per year, to be enforced on a 12 month rolling basis. [Permit no. PSD-NM-999 Special Provision 8]

....

Condition II.A.6: It shall be the responsibility of the ~~permittee~~ **holder of this permit** to demonstrate or otherwise justify the equivalency of emission control methods, sampling or other emission testing methods and monitoring methods proposed as alternatives to methods indicated in the provisions of permit PSD-NM-999. Alternative methods shall be

applied for in writing and shall be reviewed and approved by the NNEPA or the U.S. EPA Region 9 Office prior to their use in fulfilling any requirements of permit PSD-NM-999. [Permit no. PSD-NM-999 General Provision 1]

Condition II.A.7: If sampling of stacks or process vents is required, the **permittee holder of this permit** is responsible for providing sampling facilities and conducting the sampling operations at his own expense. [Permit no. PSD-NM-999 General Provision 2]

Condition II.A.9: The **permittee holder of this permit** shall perform stack sampling and other testing to establish the actual pattern and quantities of air contaminants being emitted into the atmosphere from each turbine. [Permit no. PSD-NM-999 Special Provision 9]

....

- (b) ~~The NNEPA U.S. EPA Region 9~~ shall be contacted as soon as testing is scheduled but not less than 45 days prior to sampling to schedule a pretest meeting. The notice shall include:

....

A written proposed description of any deviation from sampling procedures specified in the permit provisions shall be made available to ~~NNEPA U.S. EPA Region 9~~ prior to the pretest meetings. ~~The NNEPA U.S. EPA Region 9~~ shall approve or disapprove of any deviation from specified sampling procedures prior to its use. Requests to waive testing for any pollutant specified in the permit provisions shall be submitted to ~~the NNEPA U.S. EPA Region 9~~ for approval. Requests for alternate/equivalent procedures for NSPS testing shall be submitted to U.S. EPA Region 9 for approval.

Condition II.A.10: The ~~permittee holder of this permit~~ shall perform a compliance stack test annually. The protocol for demonstration of annual continuous compliance shall be submitted at the same time as the protocol for determining compliance with conditions II.A.2 and II.A.3 of this permit. After at least one year of operation, the permittee may submit, to NNEPA and U.S. EPA Region 9 Office for approval, an amendment of the protocol to include one of the following: A compliance test to be conducted every two or three years; a test to be conducted every quarter with a portable monitor; or a customized monitoring method approved by NNEPA and U.S. EPA Region 9. [Permit no. PSD-NM-999 Special Provision 11]

The language in Condition II.A.13 has been replaced with the original PSD permit language:

- 13. ~~The permittee shall comply with the following generally applicable recordkeeping requirements in Section III.B. Compliance with these provisions also demonstrates compliance with Permit no. PSD-NM-999 General Provision 5 and Special Provision 14.~~

13. **Information and data concerning production, operating hours, sampling and monitoring data, if applicable, fuel type and fuel sulfur content, if applicable, and all other information required by 40 CFR 60 shall be maintained in a file at the plant site or other previously approved location and made available at the request of personnel from the EPA. The file shall be retained for at least five years following the date that the information is obtained. [Permit no. PSD-NM-999 General Provision 5, 40 CFR 71.6(a)(3)(ii), 40 CFR 60.7(f)]**
14. **In addition to other applicable recordkeeping requirements, the following information shall be maintained in a file by the holder of this permit for a period of five years and shall be made available on request to representatives of the EPA [Permit no. PSD-NM-999 Special Provision 14, 40 CFR 71.6(a)(3)(ii)]:**
- a. **The results of all stack tests conducted pursuant to condition II.A.9 of this permit.**
 - b. **The results of all monitoring/testing conducted pursuant to condition II.A.10 of this permit.** Condition II.A.15 (previously II.A.14) has been revised to incorporate the amended PSD permit (see comment 3):
- ~~14.15. The permittee shall submit quarterly reports containing the hours of operation of the facility and a report summary of the periods of noncompliance. For the purpose of this report, periods of noncompliance will be periods of exceedance of the parameters specified in Condition II.A.8 and reported in units of pounds per hour and tons per year [Permit no. PSD-NM-999 Special Provision 15, second paragraph].~~

The holder of this permit shall submit, to the appropriate EPA Regional Office, reports as described in 40 CFR 60.7. Such reports are required for each emission unit subject to this permit.

In addition to the applicable information specified in 60.7(c), semiannual reports are required and should contain the hours of operation of the facility and a report summary of the periods of noncompliance. For the purpose of this permit, periods of noncompliance will be periods of exceedance of the parameters specified in Condition II.A.8 and reported in units of pounds per hour and tons per year [Permit no. PSD-NM-999 Special Provision 15, as amended June 18, 2008].

Condition III.A.1: Submit to U.S. EPA Region 9 and NNEPA a source test plan 30 days prior to any required testing. The source test plan shall include and address the following elements....

Condition III.A.6: Source test reports shall be submitted to U.S. EPA Region 9 and

NNEPA within 60 days of completing any required source test.

Condition III.C.2: The permittee shall promptly report to the **U.S. EPA Region 9 and NNEPA** Office deviations from permit requirements, including those attributable to upset conditions as defined in this permit...

Condition III.C.3: If any of the Conditions in III.C(2)(b)(i) or (ii) of this permit are met, the source must notify the permitting authority by telephone, facsimile, or electronic mail sent to **U.S. EPA Region 9 and NNEPA**, based on the timetable listed. A written notice, certified consistent with paragraph III.C(4) of this permit section, must be submitted within 10 working days of the occurrence. All deviations reported under this section must also be identified in the 6-month report required under paragraph III.C(1) of this section.

Comment 13:

U.S. EPA requested that NNEPA modify the language in section 1 of the SoB that states "There are no enforcement actions pending." Instead, NNEPA should state that there are no known noncompliance issues that must be addressed in this permitting action, and therefore the renewal can be proposed and issued. NNEPA should address any recent enforcement actions in its statement of basis, especially if there are repercussions in the permit such as a compliance schedule. EPA recommends that NNEPA discontinue use of the boilerplate language stating there are no pending enforcement actions.

Response to Comment 13:

The SoB has been updated accordingly.

Comment 14:

U.S. EPA recommends that NNEPA delete "or NNEPA" from the following language in the Statement of Basis, PTE discussion:

Any physical or operational limitations on the maximum capacity of this plant to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, may be treated as a part of its design if the limitation is enforceable by US EPA or NNEPA.

Until EPA has promulgated a rule that allows PTE limits to be created by conditions that are tribally enforceable only, conditions imposed only by NNEPA are not sufficient to limit a source's PTE.

Response to Comment 14:

The phrase "or NNEPA" has been removed from the SoB as requested.

Comment 15:

U.S. EPA recommends deleting the following language from the Statement of Basis:

Therefore, fugitive NO_x and SO₂ emissions from this source are counted toward determinations associated with PSD review.

Since the facility is currently a major source under PSD due to their PTE of criteria pollutants, they are not making a physical change or a change in the method of operation, and it is not clear that the facility has fugitive NO_x and SO₂ emissions, there is no need to address how the fugitive emissions are evaluated for PSD applicability purposes.

Response to Comment 15:

NNEPA has removed the language in the SoB as requested.

Comment 16:

U.S. EPA stated that the "Summary of Applicable Federal Requirements" at the end of Section 4 of the Statement of Basis should include the PSD permit issued by EPA.

Response to Comment 16:

The summary table in Section 4 of the SoB has been revised as requested.

Comment 17:

U.S. EPA recommends that the phrase "after issuance" in the heading "Potential to Emit after Issuance" in section 1.1 in the SoB be deleted, because the facilities are not voluntarily taking limits on their PTE.

Response to Comment 17:

Section 1.1 of the SoB has been revised accordingly.

Comment 18:

U.S. EPA stated that the citation for the PSD major source threshold in Section 1.1.ii of the Statement of Basis should be 40 C.F.R. 52.21(b)(1)(i)(a).

Response to Comment 18:

The citation in Section 1.1.ii of the SoB has been revised accordingly.

Comment 19:

U.S. EPA stated that the reference to the year 2001 in the PSD applicability discussion in

section 3 of the Statement of Basis appears to be an error, since the initial PSD permit was issued in 1991. U.S. EPA also requested that NNEPA clarify in the Statement of Basis that in 2000, EPA simultaneously issued the initial Part 71 permit for the facility and modified its PSD permit.

Response to Comment 19:

The PSD applicability discussion in the SoB has been modified accordingly.

Upon further review, NNEPA has decided to make the following additional changes to take into account changes in applicable standards, permits, and other documents:

1. U.S. EPA received a letter of request from EPNG to revise the PSD Permit (PSD-NM-999) for EPNG-Gallup Compressor Station on February 11, 2008. On June 18, 2008, U.S. EPA revised the PSD permit for EPNG-Gallup Compressor Station (PSD-NM-999), to address the requested revisions. U.S. EPA addressed three issues:
 - a. Deletion of the fuel sulfur content monitoring requirements (Special Condition 10). The New Source Performance Standard (NSPS) for gas turbines, 40 C.F.R. Part 60, Subpart GG, was revised on July 8, 2004 (69 FR41360), and no longer requires facilities to monitor fuel sulfur content if a turbine subject to the NSPS uses a fuel that meets the definition of "natural gas" in 40 C.F.R. 60.331(u). Since the facility satisfies this requirement, and has provided the documentation required by 40 C.F.R. 60.334(h)(3), U.S. EPA agreed to remove the fuel sulfur content monitoring requirement (Special Provision 10). Therefore, NNEPA has not included Special Provision 10 in the Part 71 renewal. The Statement of Basis has been revised accordingly.
 - b. Deletion of the quarterly excess emissions reporting requirement (Special Condition 15). See Response to Comment 3 for discussion and revised language.
 - c. Deletion of the "informational" emission limits from the Gallup permit (Special Provision 1). U.S. EPA addressed the informational limits accordingly:

"In 1991, the Gallup Compressor Station replaced 16 existing gas engines with a used turbine purchased from another facility and a new emergency generator. The project resulted in emission reductions of NO_x, CO, and VOC, and very small emission increases of SO₂ and PM. Since the potential emissions of NO_x and CO from the new emission units exceeded the PSD significance thresholds, the facility relied on emissions reductions from the removal of the 16 engines to "net out" of the PSD review for

NOx and CO. Although the project did not trigger PSD, EPA Region 6 issued a PSD permit on March 7, 1991 in order to make the netting for NOx and CO enforceable. When EPA Region 9 modified the original PSD permit on December 27, 2000, the table entitled "Emission Sources - Maximum Allowable Emission Rates" was revised to emission limits for VOC, SO₂, and particulate matter "for informational purposes only." The facility has never been subject to PSD review for these three pollutants, nor has it ever taken PTE limits for any of them to "net out" of PSD review. In order to provide greater clarity for evaluating future permit modifications, U.S. EPA has agreed to delete these "informational limits" from the PSD permit.

Therefore, the table in Special Provision 1 (Condition II.A.2 of NN-OP 00-03) has been revised as follows, and the Statement of Basis discussion has been updated accordingly.

Emission Unit ID#	Unit Description	NOx		CO	
		lb/hr	tons/year	lb/hr	tons/year
B-01	One (1) natural gas-fired regenerative-cycle turbine	45.1	197.5	7.12	31.2
C-01	One (1) natural gas-fired simple cycle turbine	155.0	678.9	24.26	106.3
AUX C-01	One (1) natural gas-fired RICE, for auxiliary power generation	29.4	17.7	42.8	25.7

2. The National Emission Standards for Reciprocating Internal Combustion Engines (RICE) (40 C.F.R. 63, Subpart ZZZZ) were amended on January 10, 2008. This standard previously applied to stationary reciprocating internal combustion engines (non-road) equal to or greater than 500 brake horsepower (bhp) that are located at major HAP sources (≥ 10 tons/year of individual HAP or ≥ 25 tons/year of combined HAPs). However, on January 10, 2008, Subpart ZZZZ was revised to extend coverage to RICE that are less than 500 bhp and to RICE of all sizes that are located at area sources of HAP. Pursuant to 40 CFR 63.6590(b)(3), a stationary RICE that is considered an existing emergency stationary RICE or is an existing compression ignition (CI) RICE does not have to meet the requirements of 40 CFR 63, Subpart ZZZZ and no initial notification is necessary. Therefore, the existing one (1) reciprocating internal combustion engine (AUX-C01), which commenced construction before June 12, 2006, does not have any applicable requirements. For the purposes of this subpart, commence construction is when the installation of the unit began at the source. The Statement of Basis discussion for NESHAP Subpart ZZZZ has been updated to reflect this change. There were no changes to the permit.
3. The SoB has been updated to discuss the applicability of the New Source Performance Standards for Stationary Compression Ignition Internal Combustion

Engines (40 CFR 60.4200-4219, Subpart IIII), Stationary Spark Ignition Internal Combustion Engines (40 CFR 60.4230-4248, Subpart JJJJ), and Stationary Combustion Turbines (40 CFR 60.4230-4248, Subpart KKKK), which were promulgated on January 10, 2008. The engines and turbine at this facility are not subject to these subparts, because they were constructed prior to the applicability date of each subpart.

4. For clarification purposes and in order to be consistent with recent issued Part 71 permits, Condition IV.A - Fee Payment has been revised as follows:

IV.A. Fee Payment [NNOPR Subpart VI] [40 CFR § 71.6(a)(7) and § 71.9]

1. The permittee shall pay an annual permit fee in accordance with the procedures outlined below [NNOPR Subpart VI §§ 603(A) and (B)].
 - ~~1a.~~ The permittee shall pay the annual permit fee by April 1 of each year.
 - ~~2b.~~ The fee payment shall be in United States currency and shall be paid by money order, bank draft, certified check, corporate check, or electronic funds transfer payable to the order of the Navajo Nation EPA Air Quality Control Program.
 - ~~3c.~~ The permittee shall send ~~the~~ fee payment and a completed fee filing form to:

Navajo Nation Air Quality Control Program
Operating Permit Program
P.O. Box 529
Fort Defiance, AZ 86504
2. **The permittee shall submit a fee calculation worksheet form with the annual permit fee by April 1 of each year. Calculations of actual or estimated emissions and calculation of the fees owed shall be computed on the fee calculation worksheets provided by the EPA. Fee payment of the full amount must accompany each fee calculation worksheet. [40 CFR § 71.6(a)(7) and § 71.9(e)(1)] [NNOPR Subpart VI § 603(A)]**
3. **The fee calculation worksheet shall be certified by a responsible official consistent with 40 CFR § 71.5(d). [40 CFR § 71.6(a)(7) and § 71.9(e)(3)]**
- ~~4. The permittee shall send an updated fee calculation worksheet form and a photocopy of each fee payment check (or other confirmation of actual fee paid) submitted annually by the same deadline as required for fee payment to the address listed in Section IV.E. of this permit. [Permittee should note that an annual emissions report, required at the same time as the fee calculation~~

~~worksheet by NNOPR Subpart VI § 603(B), has been incorporated into the fee calculation worksheet form as a convenience.]~~

54. Basis for calculating annual fee:

- a. The annual emissions fee shall be calculated by multiplying the total tons of actual emissions of all ~~“regulated fee pollutants” (for fee calculation)~~ emitted from the source by the ~~presumptive~~ **applicable** emissions fee (in dollars/ton) in effect at the time of calculation. **Emissions of any regulated air pollutant that already are included in the fee calculation under a category of regulated pollutant, such as a federally listed hazardous air pollutant that is already accounted for as a VOC or as PM10, shall be counted only once in determining the source’s actual emissions. [NNOPR Subpart VI §§ 602(A) and (B)(1)]**
- ~~(1)~~a. “Actual emissions” means the actual rate of emissions in tpy of any ~~regulated fee pollutant (for fee calculation)~~ emitted from a part 71 source over the preceding calendar year. Actual emissions shall be calculated using each emissions unit’s actual operating hours, production rates, in-place control equipment, and types of materials processed, stored, or combusted during the preceding calendar year. **Actual emissions shall not include emissions of any one fee pollutant in excess of 4,000 TPY, or any emissions that come from insignificant activities [See NNOPR Subpart VI, and Subpart I § 102.5]**
- ~~(2)~~b. Actual emissions shall be computed using methods required by the permit for determining compliance, such as monitoring or source testing data ~~[See NNOPR Subpart VI, and Subpart I § 102.5]~~ **40 CFR § 71.6(a)(7) and § 71.9(e)(2)].**
- ~~(3)~~c. If actual emissions cannot be determined using the compliance methods in the permit, the permittee shall use other federally recognized procedures ~~[See NNOPR Subpart VI, and Subpart I § 102.5]~~ **40 CFR § 71.6(a)(7) and § 71.9(e)(2)].**
- d. **The term “fee pollutant” is defined in NNOPR Subpart I § 102(24).**
- ~~(4)~~e. The term “regulated **air** pollutant” ~~(for fee calculation)~~ is defined in NNOPR Subpart I § 102.50, **except that for purposes of this permit the term does not include any pollutant that is regulated solely pursuant to 4 N.N.C. § 1121 nor does it include any hazardous air pollutant designated by the Director pursuant to 4 N.N.C. § 1126(B).**

- (5)f. The permittee should note that the ~~presumptive~~ **applicable** fee amount is revised each year to account for inflation, and it is available from NNEPA starting on ~~September~~ **March 1** of each year.
- g. **The total annual fee due shall be the greater of the applicable minimum fee and the sum of subtotal annual fees for all fee pollutants emitted from the source. [NNOPR Subpart VI § 602(B)(2)]**
- b. ~~The permittee shall exclude the following emissions from the calculation of fees:~~
 - (1) ~~The amount of actual emissions of each regulated pollutant (for fee calculation) that the source emits in excess of 4,000 tons per year [See NNOPR Subpart VI, and Subpart I § 102.5].~~
 - (2) ~~Actual emissions of any regulated pollutant (for fee calculation) already included in the fee calculation [See NNOPR Subpart VI, and Subpart I § 102.5]; and~~
 - (3) ~~The quantity of actual emissions (for fee calculation) of insignificant activities [Defined in NNOPR Subpart I § 102.29, and 40 CFR § 71.5(c)(11)(i)] or of insignificant emissions levels from emissions units identified in the Permittee's application pursuant to NNOPR Subpart I § 102.30, and 40 CFR § 71.5(c)(11)(ii) [See NNOPR Subpart VI, and Subpart I § 102.5].~~
- 6. ~~Fee calculation worksheets shall be certified as to truth, accuracy, and completeness by a responsible official. [Permittee should note that the fee calculation worksheet form already incorporates a section to help you meet this responsibility.]~~
- 75. The permittee shall retain, **in accordance with the provisions of 40 CFR § 71.6(a)(3)(ii), all** fee calculation worksheets and other emissions-related data used to determine fee payment for 5 years following submittal of fee payment. Emission-related data include, for example, emissions-related forms provided by NNEPA and used by the permittee for fee calculation purposes, emissions-related spreadsheets, and ~~emissions-related data, such as records of emissions monitoring data and related support information required to be kept in accordance with 40 CFR § 71.6(a)(3)(ii) [See NNOPR Subpart III § 302(F), and Subpart VI § 602(B)~~ **40 CFR § 71.6(a)(7) and § 71.9(i)].**
- 86. Failure of the permittee to pay fees in a timely manner shall subject the permittee to assessment of penalties and interest in accordance with NNOPR Subpart VI § 603(C).

97. When notified by NNEPA of underpayment of fees, the Permittee shall remit full payment within 30 days of receipt of notification [~~NNOPR Subpart VI § 603(C)~~ **40 CFR § 71.9(j)(2)**].
108. A Permittee who thinks an NNEPA assessed fee is in error and wishes to challenge such fee, shall provide a written explanation of the alleged error to NNEPA along with full payment of the NNEPA assessed fee [~~See NNOPR Subpart VI § 603(B)~~ **40 CFR § 71.9(j)(3)**].